

**Division of Workforce Solutions**  
**Policies and Procedures**  
**Early/Advance Spending Authority for 2004-2005 W-2 and Related Programs Contracts**  
November 11, 2003

**Introduction:**

There are two circumstances under which DWS *might* want early/advance spending to occur for the W-2 and Related Programs Contract for 2004-2005:

1. Spending of awarded consortium dollars to enable consortium to get ready for a January 01, 2004 start up.
2. Spending of base contract award for exceptional needs to prepare for a January 01, 2004, start up for non-consortium agencies or for needs not fully addressed by awarded consortium funding for consortium agencies.

In both cases, DWS would be intending the money to be used for the contract period 2004 program and to cover preparatory costs that are not related to and so could not be legitimately covered by the current program contract. The money would be used in the context of an approved transition and/or consortium plan.

**Related Contract Sections**

- **26.10 Early Spending with Approved Transition Plan:** If the W-2 Agency is making a transition into a geographic area that was previously served by a different W-2 Agency, the W-2 Agency may receive reimbursement for funds spent before January 1, 2004 to the extent that the funds are spent after the Department has approved the W-2 Agency's transition plan and the item(s) is approved for early spending.
- **26.11 Consortium Incentive Funds:** The Department may approve additional funding, in accordance with Department Policies and Procedures and to the extent that funds are available for W-2 agencies that enter into consortium agreements.

**Conditions/Requirements for early/advance spending:**

The conditions of such early/advance spending are as follows:

- Requests for early/advance spending would be required to have adequate documentation and explanation per Division procedures.
- Approval and actual reimbursement of early/advance expenditures will not be provided by the Division prior to receipt of a signed 2004-2005 W-2 and Related Programs contract.
- No advance spending will be approved for shared cost pools.
- On a case-by-case basis, after receipt of a signed contract, DWS may approve allowable early/advance costs incurred by the agency prior to contract signature, after receipt of the signed contract.
- Upon request by the agency, DWS will review early/advance spending needs of an agency prior to contract signature and advise on allowability.
- Approval for advance spending of Consortium Incentive funding can only occur after the award of such funds through the issuance of a contract amendment.

- An agency forming a consortium may request advance spending authority for the '04-'05 Base Contract and make the same request for consortium dollars. Approval to spend '04-'05 contract dollars will enable an agency to get started before the consortium dollars have been awarded. There also will likely not be sufficient consortium dollars to meet all the requests.

### **Requesting Advance Spending Authority**

Requests for early/advance spending for either '04-'05 contract or consortium funds should follow the path detailed below. Requests for consortium funds should follow the related policies and procedures referenced below.

1. W-2 Agency
  - Complete request for approval form and submit to Division Contract Manager in Regional Office
2. DWS Contract Manager
  - Review, discuss with agency as appropriate, involve other DWS and DWD staff as appropriate, approve/disapprove request/s.
  - Send copy of approved request to Kelly Millard, Accountant, DWS BDS Contracts Section, GEF 1, Madison, WI.

### **Claiming Advance Spending Funds**

1. W-2 Agency
  - Complete request for funds form.
  - Code to appropriate profiles from the '04-'05 W-2 and Related Programs Contract
  - Submit to: Kelly Millard, Accountant, DWS BDS Contracts Section, P.O. Box 7972, Madison, WI 53707.
  - Note: if received by January 15<sup>th</sup>, 2004, a separate check will be issued in January. After January 15<sup>th</sup> all requests for expenses incurred under early spending authority would just be submitted with regular monthly expense reporting.
  - Expenses claimed by January 15<sup>th</sup> must also be reported in the regular January expense reporting. CORE will deduct the advance payment from the January reimbursements.
2. Contracts Section Accountant
  - Check claims against Contract Manager approvals.
  - Authorize payment of funds claimed by January 15<sup>th</sup> for immediate payment.
  - Review and authorize claims for early spending filled with regular monthly reporting.

### **Related Policies & Procedures**

The following policies and procedures also govern the early/advance spending of the '04-'05 W-2 Base Contract:

1. Financial policies governing procurements over \$5000 (requiring agencies to purchase large items themselves and to charge to the contract only for use at the rate of depreciation and for central office to sign off on such large purchases) and procurement of IT related items. Also financial policy governing ownership.
2. DWS Policies and Procedures on Access to and Use of Consortium Incentive Funds, dated September 22, 2003.
3. DWS Procedures for Requesting and Awarding Consortium Funds (to be released by BPS shortly).